GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:172
ANSWERED ON:01.03.2002
ADVANCE DEVELOPMENT CESS ON AIR PASSENGERS
DUMPA MARY VIJAYAKUMARI

Will the Minister of FINANCE be pleased to state:

(a) whether the Andhra Pradesh has demanded that the State Government be allowed to levy as Rs.200 advance development cess on all passengers flying out of Hyderabad;

(b) if so, the action taken on the request;

(c) whether the amount collected would be exempted from income tax; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b): Yes Sir, the matter is under consideration in the Ministry of Civil Aviation.

(c)&(d): As per article 289 of the Constitution of India, the property and income of a State shall be exempt from Union Taxation unless and to the extent provided otherwise by the law of Parliament.